

AMENDED IN ASSEMBLY JUNE 8, 2006

AMENDED IN ASSEMBLY MAY 4, 2006

AMENDED IN ASSEMBLY JUNE 27, 2005

SENATE BILL

No. 458

Introduced by Senator Speier

February 18, 2005

An act to add and repeal Chapter 2.23 (commencing with Section 1399.830) of Division 2 of the Health and Safety Code, and to amend Sections 14087.51, ~~14087.52~~, ~~14087.53~~, and 14087.54 of the Welfare and Institutions Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

SB 458, as amended, Speier. Basic health care: counties.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans. Existing law also provides for the regulation of health insurers by the Insurance Commissioner.

This bill would authorize, until January 1, 2009, a health care coverage pilot project in which up to 200,000 employees of employers in chronically uninsured industries, as defined, may be enrolled and receive preventative health care coverage, as specified, through administering health care service plans or health ~~insures~~ *insurers*. The bill would require that, before January 1, 2009, an evaluation of the coverage provided pursuant to the pilot project be submitted to the Legislature.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services and pursuant to which health care services are provided to qualified low-income

persons. Existing law authorizes any county or counties to establish a special commission in order to meet the problems of delivery of publicly assisted medical care in the county or counties, and to demonstrate ways of promoting quality care and cost efficiency.

This bill would expand the scope of that authorization to include meeting the problems of a lack of access to affordable health-care plan coverage, and would authorize a commission to offer coverage for privately financed medical care for residents of *the commission's county*, other counties, or *both*, in certain circumstances.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1.~~

2 *SECTION 1.* Chapter 2.23 (commencing with Section
3 1399.830) is added to Division 2 of the Health and Safety Code,
4 to read:

5
6 CHAPTER 2.23. THE CHRONICALLY UNINSURED INDUSTRIES
7 AND WORKERS ACCESS TO HEALTH CARE COVERAGE PILOT
8 PROGRAM ACT OF 2005
9

10 1399.830. As used in this chapter, the following terms have
11 the following meanings:

12 (a) "Chronically uninsured industry" means an industry or
13 occupation where employers have historically not offered health
14 care coverage to their employees. For purposes of this pilot
15 program, an employer is eligible to cover employees if the
16 employer has not offered prepaid health care coverage to its
17 hourly employees for at least one year at the time the employees
18 are initially covered pursuant to this pilot program and at the time
19 the employees are initially covered pursuant to this pilot program
20 the employer has 5,000 employees or less in California.

21 (b) "Preventive health care" means a comprehensive benefit
22 package that consists only of the following:

23 (1) Comprehensive health screens, to be provided initially and
24 thereafter at an interval of every six months. The health screens
25 may be provided at the employee's worksite with the consent of
26 the employer.

1 (2) Preventive primary care, including general and family care,
2 pediatrics, internal medicine, physical exams, gynecology,
3 immunizations, family planning, and minor emergencies.

4 (3) Preventive dental care, including X-rays, cleanings, and
5 fillings.

6 (4) Additional comprehensive services, including preventive
7 mental health services if providers are available within health
8 care network.

9 (c) “Nonprofit providers” means nonprofit community health
10 centers, nonprofit primary care clinics, nonprofit federally
11 qualified health centers, and look-alikes, all of which shall have
12 nonprofit status under Section 501(c)(3) of Title 26 of the United
13 States Code as well as individual providers who are not part of
14 the staff of nonprofit community health centers or clinics but
15 who have nonprofit status under Section 501(c)(3) of Title 26 of
16 the United States Code. To the extent possible, nonprofit
17 providers should have “cultural and linguistic competency” for
18 the communities they serve as that term is defined in Section
19 2198.1 of the Business and Professions Code.

20 1399.831. This chapter authorizes a pilot project in which up
21 to 200,000 employees at any one time may be enrolled, and for
22 which nonprofit providers, as defined and through the process
23 described below, may accept prepayment for provider services
24 for up to one month at a time. The benefits described in
25 subdivision (b) of Section 1399.830 shall be benefits required of
26 providers authorized pursuant to this pilot project. Additional
27 benefits may be offered by the providers or the administering
28 health care service plan or health insurer. Family coverage may
29 be offered under this chapter at the option of the employer based
30 upon the employer’s discussions with employees.

31 1399.832. An employer in a chronically uninsured industry
32 may opt to arrange and pay for preventive health care coverage
33 for employees through an administering health care service plan
34 or health insurer involving health benefit guarantee contracts
35 between an employer and one or more nonprofit medical
36 providers, who will provide the covered services to the
37 employees. An employer shall pay a monthly payment, which
38 shall include an amount covering no more than the actual costs of
39 the administering health care service plan or health care insurer
40 in administering the coverage authorized under this chapter, for

1 each employee to the administering health care service plan or
2 health insurer, which shall pass through the employer's payment,
3 less the amount covering the health care service plan or health
4 insurer's cost of administration, to the providers. The
5 administering health care service plan or health insurer shall not
6 bear any risk for coverage provided under this chapter. An
7 employee shall be covered beginning on the first day of the
8 month, with payment due from the employer to the administering
9 health care service plan or health insurer on or before mid-month
10 and then to the provider on or before the last day of that month.

11 1399.833. Health care providers participating in this program
12 shall be responsible for providing assistance to covered
13 employees, family members, and relatives in seeking health care
14 coverage from public sector programs for which they may be
15 eligible, including, but not limited to, Medi-Cal, Medicare,
16 Healthy Families, and any other state or federally funded health
17 care programs.

18 1399.834. An employee, or dependent, if applicable, shall be
19 responsible for a copayment for each health care service or
20 appointment provided under this chapter. The amount of the
21 copayment shall be determined through negotiations between
22 employers, employees, and providers. At no time shall
23 employees be responsible for paying a copayment and a share of
24 cost of the monthly premium paid by the employer.

25 1399.835. Marketing of the health care product offered under
26 this chapter shall be undertaken on a collaborative basis and shall
27 involve the administering health care service plan or health
28 insurer, medical service providers contracted to provide services
29 under this chapter, and employer associations. Employer
30 associations may assist the administering health care service plan
31 or health insurer and providers in marketing, but questions and
32 answers regarding benefits under the coverage shall be answered
33 by a licensed broker agent, whether employed by the
34 administering health care service plan or health insurer, the
35 providers, the association, or any or all of these entities.

36 1399.836. Before January 1, 2009, an evaluation of the
37 coverage provided under this chapter shall be submitted to the
38 Legislature. The evaluation shall determine the positive and
39 negative attributes and issues relative to providing a
40 preventive-primary health care product. The evaluation shall

1 include, but not be limited to, (1) utilization of the health care
2 services accessed under this article, (2) patient satisfaction, (3)
3 use of hospital emergency rooms by covered patients both prior
4 and after availability of coverage under this chapter, (4)
5 estimated savings to state and local general fund expenditures,
6 (5) adequacy of clinic finances to bear the risk of one month of
7 services under a contract of prepaid care, and (6) any other
8 relevant matters. The evaluation shall be conducted by a
9 philanthropic organization selected by the Insurance
10 Commissioner and shall not require any expenditure of General
11 Fund revenues. The Insurance Commissioner may appoint an
12 advisory panel of no more than nine persons comprised of
13 medical services providers, employers, employees, and
14 administering health care service plans or health insurers for the
15 purpose of identifying additional areas and aspects of this pilot
16 program to be evaluated and developing a structure for carrying
17 out the evaluation.

18 1399.837. Nonprofit community clinics, nonprofit primary
19 care clinics, federally qualified health centers, and federally
20 qualified health center look-alikes shall be required to submit
21 audited financial statements to the State Department of Health
22 Services to substantiate their financial viability to offer a
23 month-to-month prepaid health benefits package consistent with
24 these provisions. Approval by the State Department of Health
25 Services may be granted to the aforementioned clinics and
26 centers if they have been a recipient of funds administered by the
27 State Department of Health Services including such programs as
28 Medi-Cal, rural and farm worker health, Expanded Access to
29 Primary Care, Family PACT, and California Perinatal Services
30 Program, and State Department of Health Services deems the
31 approval appropriate to meet otherwise unmet health care needs
32 that could be met through this pilot program. Disputes about the
33 medical necessity of care shall be submitted to the Department of
34 Managed Health Care and governed by the resolution of those
35 disputes through the Department of Managed Health Care.

36 1399.838. This chapter shall remain in effect only until
37 January 1, 2009, and as of that date is repealed, unless a later
38 enacted statute, that is chaptered before January 1, 2009, deletes
39 or extends that date.

SEC. 2. Section 14087.51 of the Welfare and Institutions Code is amended to read:

14087.51. (a) It is necessary that a special commission be established in San Mateo County and in any other county designated by the California Medical Assistance Commission in order to meet the problems of the delivery of publicly assisted medical care, or lack of access to affordable health plan coverage in the counties and to demonstrate ways of promoting quality care and cost efficiency for both publicly assisted medical care and privately financed medical care. The commission may offer coverage for privately financed medical care for residents of *San Mateo County*, other counties, *or both*, if the governing body of the commission determines that the need for affordable coverage exists in ~~other~~ *those* counties. *The commission shall not use any payment or reserve from the Medi-Cal program for purposes of offering coverage for privately financed medical care as authorized pursuant to this subdivision.*

(b) The Board of Supervisors of San Mateo County and of the designated counties may, by ordinance, establish commissions to do any or all of the following:

(1) Negotiate the exclusive contracts specified in Section 14087.5 and to arrange for the provision of health care services provided pursuant to this chapter.

(2) Enter into contracts for the provision of health care services to subscribers in the Healthy Families Program.

(3) Enter into agreements under Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code.

(c) In addition to the authority specified in subdivision (b), the Board of Supervisors of San Mateo County may, by ordinance, authorize the commission established pursuant to this section to provide health care delivery systems for any or all of the following persons:

(1) Persons who are eligible to receive medical benefits under this chapter in the county, including, but not limited to, persons who are eligible through federal waiver or a pilot project.

(2) Persons who are eligible to receive medical benefits under both Title 18 and Title 19 of the federal Social Security Act.

(3) Persons who are eligible to receive medical benefits under Title 18 of the federal Social Security Act.

(4) Persons who are eligible to receive medical benefits under publicly, *privately, or publicly and privately*, supported programs if the commission and participating providers acting pursuant to subcontracts with the commission agree to hold harmless the beneficiaries of the publicly supported programs if the contract between the sponsoring government agency and the commission does not ensure sufficient funding to cover program costs.

(d) If the board of supervisors elects to enact an ordinance pursuant to this section, all rights, powers, duties, privileges, and immunities vested in a county by an article shall be vested in the county commission. Any reference in this article to “county” shall mean a commission established pursuant to this section.

(e) The enabling ordinance shall specify the membership of the county commission, the qualifications for individual members, and any other matters as the board of supervisors deems necessary or convenient for the conduct of the county commission’s activities. A commission so established shall be considered a public entity for purposes of Division 3.6 (commencing with Section 810) of Title 1 of the Government Code. All commissioners shall be appointed by majority vote of the board of supervisors and shall serve at the pleasure thereof. The board of supervisors may appoint no more than two of its own members to serve on the commission.

(f) As an alternative to establishing a separate commission, the enabling ordinance may designate the board of supervisors itself as the commission authorized by this article.

~~SEC. 3. Section 14087.52 of the Welfare and Institutions Code is amended to read:~~

~~14087.52. (a) It is necessary that a special commission be established in San Bernardino County in order to meet the problems of the delivery of publicly assisted medical care, or lack of access to affordable health plan coverage in the county and to demonstrate ways of promoting quality care and cost efficiency for both publicly assisted medical care and privately financed medical care. The commission may offer coverage for privately financed medical care for residents of other counties if the governing body of the commission determines that the need for affordable coverage exists in other counties. Because there is no general law under which this commission could be formed,~~

1 the adoption of a special act and the formation of a special
2 commission is required.

3 (b) The Board of Supervisors of San Bernardino County may,
4 by ordinance, establish a commission to negotiate the exclusive
5 contract specified in Section 14087.5 and to arrange for the
6 provision of health care services provided pursuant to this
7 chapter, and to enter into contracts for the provision of health
8 care services to subscribers in the Healthy Families Program. If
9 the board of supervisors elects to enact this ordinance, all rights,
10 powers, duties, privileges, and immunities vested in a county by
11 this article shall be vested in the county commission. Any
12 reference in this article to “county” shall mean the commission
13 established pursuant to this section.

14 (c) It is the intent of the Legislature that if a commission is
15 established pursuant to subdivision (b), the County of San
16 Bernardino shall, with respect to its medical facilities and
17 programs, occupy no greater or lesser status than any other health
18 care provider in negotiating with the commission for contracts to
19 provide health care services.

20 (d) The enabling ordinance shall specify the membership of
21 the county commission, the qualifications for individual
22 members, the manner of appointment, selection, or removal of
23 commissioners, and how long they shall serve, and any other
24 matters as the board of supervisors deems necessary or
25 convenient for the conduct of the county commission’s activities.
26 The commission so established shall be considered an entity
27 separate from the county, shall file the statement required by
28 Section 53051 of the Government Code, and shall have, in
29 addition to the rights, powers, duties, privileges, and immunities
30 previously conferred, the power to acquire, possess, and dispose
31 of real or personal property, as may be necessary for the
32 performance of its functions, to employ personnel and contract
33 for services required to meet its obligations, and to sue or be
34 sued. Any obligations of the commission, statutory, contractual,
35 or otherwise, shall be the obligations solely of the commission
36 and shall not be the obligations of the county or of the state
37 unless expressly provided for in a contract between the
38 commission and the county or state.

39 (e) Upon creation, the commission may borrow from the
40 county, and the county may lend the commission funds, or issue

1 ~~revenue anticipation notes to obtain those funds necessary to~~
2 ~~commence operations.~~

3 ~~(f) In the event the commission may no longer function for the~~
4 ~~purposes for which it was established, at the time that the~~
5 ~~commission's then existing obligations have been satisfied or the~~
6 ~~commission's assets have been exhausted, the board of~~
7 ~~supervisors may by ordinance terminate the commission.~~

8 ~~(g) Prior to the termination of the commission, the board of~~
9 ~~supervisors shall notify the State Department of Health Services~~
10 ~~of its intent to terminate the commission. The department shall~~
11 ~~conduct an audit of the commission's records within 30 days of~~
12 ~~notification to determine the liabilities and assets of the~~
13 ~~commission. The department shall report its findings to the board~~
14 ~~within 10 days of completion of the audit. The board shall~~
15 ~~prepare a plan to liquidate or otherwise dispose of the assets of~~
16 ~~the commission and to pay the liabilities of the commission to the~~
17 ~~extent of the commission's assets, and present the plan to the~~
18 ~~department within 30 days upon receipt of these findings.~~

19 ~~(h) Upon termination of the commission by the board, the~~
20 ~~County of San Bernardino shall manage any remaining assets of~~
21 ~~the commission until superseded by a department approved plan.~~
22 ~~Any liabilities of the commission shall not become obligations of~~
23 ~~the county upon either the termination of the commission or the~~
24 ~~liquidation or disposition of the commission's remaining assets.~~

25 ~~(i) Any assets of the commission shall be disposed of pursuant~~
26 ~~to provisions contained in the contract entered into between the~~
27 ~~state and the commission pursuant to this article.~~

28 ~~SEC. 4. Section 14087.53 of the Welfare and Institutions~~
29 ~~Code is amended to read:~~

30 ~~14087.53. (a) It is necessary that a special commission be~~
31 ~~established in Ventura County in order to meet the problems of~~
32 ~~the delivery of publicly assisted medical care, or lack of access to~~
33 ~~affordable health plan coverage, in the county and to demonstrate~~
34 ~~ways of promoting quality care and cost efficiency for both~~
35 ~~publicly assisted medical care and privately financed medical~~
36 ~~care. The commission may offer coverage for privately financed~~
37 ~~medical care for residents of other counties if the governing body~~
38 ~~of the commission determines that the need for affordable~~
39 ~~coverage exists in other counties. Because there is no general law~~

1 under which this commission could be formed, the adoption of a
2 special act and the formation of a special commission is required.

3 ~~(b) The Board of Supervisors of Ventura County may, by~~
4 ~~ordinance, establish a commission to negotiate the exclusive~~
5 ~~contract specified in Section 14087.5 and to arrange for the~~
6 ~~provision of health care services provided pursuant to this~~
7 ~~chapter, and to enter into contracts for the provision of health~~
8 ~~care services to subscribers in the Healthy Families Program. If~~
9 ~~the board of supervisors elects to enact this ordinance, all rights,~~
10 ~~powers, duties, privileges, and immunities vested in a county by~~
11 ~~this article shall be vested in the county commission. Any~~
12 ~~reference in this article to “county” shall mean the commission~~
13 ~~established pursuant to this section.~~

14 ~~(c) The enabling ordinance shall specify the membership of~~
15 ~~the county commission, the qualifications for individual~~
16 ~~members, the manner of appointment, selection, or removal of~~
17 ~~commissioners, and how long they shall serve, and any other~~
18 ~~matters as the board of supervisors deems necessary or~~
19 ~~convenient for the conduct of the county commission’s activities.~~
20 ~~The commission so established shall be considered an entity~~
21 ~~separate from the county, shall file the statement required by~~
22 ~~Section 53051 of the Government Code, and shall have, in~~
23 ~~addition to the rights, powers, duties, privileges, and immunities~~
24 ~~previously conferred, the power to acquire, possess, and dispose~~
25 ~~of real or personal property, as may be necessary for the~~
26 ~~performance of its functions, to employ personnel and contract~~
27 ~~for services required to meet its obligations, and to sue or be~~
28 ~~sued. Any obligations of the commission, statutory, contractual,~~
29 ~~or otherwise, shall be the obligations solely of the commission~~
30 ~~and shall not be the obligations of the county or of the state.~~

31 ~~(d) Upon creation, the commission may borrow from the~~
32 ~~county and the county may lend the commission funds, or issue~~
33 ~~revenue anticipation notes to obtain those funds necessary to~~
34 ~~commence operations.~~

35 ~~(e) In the event the commission may no longer function for the~~
36 ~~purposes for which it was established, at the time that the~~
37 ~~commission’s then-existing obligations have been satisfied or the~~
38 ~~commission’s assets have been exhausted, the board of~~
39 ~~supervisors may by ordinance terminate the commission.~~

1 ~~(f) Prior to the termination of the commission, the board of~~
2 ~~supervisors shall notify the State Department of Health Services~~
3 ~~of its intent to terminate the commission. The department shall~~
4 ~~conduct an audit of the commission's records within 30 days of~~
5 ~~notification to determine the liabilities and assets of the~~
6 ~~commission. The department shall report its findings to the board~~
7 ~~within 10 days of completion of the audit. The board shall~~
8 ~~prepare a plan to liquidate or otherwise dispose of the assets of~~
9 ~~the commission and to pay the liabilities of the commission to the~~
10 ~~extent of the commission's assets, and present the plan to the~~
11 ~~department within 30 days upon receipt of these findings.~~

12 ~~(g) Any assets of the commission shall be disposed of pursuant~~
13 ~~to provisions contained in the contract entered into between the~~
14 ~~state and the commission pursuant to this article.~~

15 ~~(h) It is the intent of the Legislature that if a commission is~~
16 ~~established pursuant to subdivision (b), the County of Ventura~~
17 ~~shall, with respect to its medical facilities and programs, occupy~~
18 ~~no greater or lesser status than any other health care provider in~~
19 ~~negotiating with the commission for contracts to provide health~~
20 ~~care services.~~

21 ~~(i) Upon termination of the commission by the board, the~~
22 ~~County of Ventura shall manage any assets of the commission~~
23 ~~until superseded by a department approved plan. Any liabilities~~
24 ~~of the commission shall not become obligations of the county~~
25 ~~upon either the termination of the commission or the liquidation~~
26 ~~or disposition of the commission's remaining assets.~~

27 ~~SEC. 5.~~

28 ~~SEC. 3.~~ Section 14087.54 of the Welfare and Institutions
29 Code is amended to read:

30 14087.54. (a) Any county or counties, including counties
31 subject to Section 14087.51, 14087.52, or 14087.53, may
32 establish a special commission in order to meet the problems of
33 the delivery of publicly assisted medical care, or lack of access to
34 affordable health plan coverage, in the county or counties and to
35 demonstrate ways of promoting quality care and cost efficiency
36 for both publicly assisted medical care and privately financed
37 medical care. A commission may offer coverage for privately
38 financed medical care for residents of *the commission's county*,
39 other counties, *or both*, if the governing body of the commission
40 determines that the need for affordable coverage exists in ~~other~~

1 *those counties. The commission shall not use any payment or*
2 *reserve from the Medi-Cal program for purposes of offering*
3 *coverage for privately financed medical care as authorized*
4 *pursuant to this subdivision.*

5 (b) (1) A county board of supervisors may, by ordinance,
6 establish a commission to negotiate the exclusive contract
7 specified in Section 14087.5 and to arrange for the provision of
8 health care services provided pursuant to this chapter. The boards
9 of supervisors of more than one county may also establish a
10 single commission with the authority to negotiate an exclusive
11 contract and to arrange for the provision of services in those
12 counties. If a board of supervisors elects to enact this ordinance,
13 all rights, powers, duties, privileges, and immunities vested in a
14 county by this article shall be vested in the county commission.
15 Any reference in this article to “county” shall mean a
16 commission established pursuant to this section.

17 (2) The commission operating in Santa Cruz and Monterey
18 Counties pursuant to this section may also enter into contracts for
19 the provision of health care services to persons who are eligible
20 to receive medical benefits under any publicly, *privately, or*
21 *publicly and privately*, supported program, if the commission and
22 participating providers acting pursuant to subcontracts with the
23 commission agree to hold harmless the beneficiaries of the
24 publicly supported programs if the contract between the
25 sponsoring government agency and the commission does not
26 ensure sufficient funding to cover program costs. The
27 commission shall not use any payments or reserves from the
28 Medi-Cal program for this purpose.

29 (3) In addition to the authority specified in paragraph (1), the
30 board of supervisors may, by ordinance, authorize the
31 commission established pursuant to this section to provide health
32 care delivery systems for any or all of the following persons:

33 (A) Persons who are eligible to receive medical benefits under
34 both Title 18 of the federal Social Security Act (42 U.S.C. Sec.
35 1395 et seq.) and Title 19 of the federal Social Security Act (42
36 U.S.C. Sec. 1396 et seq.).

37 (B) Persons who are eligible to receive medical benefits under
38 Title 18 of the federal Social Security Act (42 U.S.C. Sec. 1395).

39 (4) For purposes of providing services to persons described in
40 paragraph (3), if the commission seeks a contract with the federal

Centers for Medicare and Medicaid Services to provide Medicare services as a Medicare Advantage program, the commission shall first obtain a license under the Knox-Keene Health Care Service Plan Act (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code).

(5) With respect to the provision of services for persons described in paragraph (3), the commission shall conform to applicable state licensing and freedom of choice requirements as directed by the federal Centers for Medicare and Medicaid Services.

(6) Any material, provided to a person described in paragraph (3) who is dually eligible to receive medical benefits under both the Medi-Cal program and the Medicare Program, regarding the enrollment or availability of enrollment in Medicare services established by the commission shall include notice of all of the following information in the following format:

(A) Medi-Cal eligibility will not be lost or otherwise affected if the person does not enroll in the plan for Medicare benefits.

(B) The person is not required to enroll in the Medicare plan to be eligible for Medicare benefits.

(C) The person may have other choices for Medicare coverage and for further assistance may contact the federal Centers for Medicare and Medicaid Services (CMS) at 1-800-MEDICARE or www.Medicare.gov.

(D) The notice shall be in plain language, prominently displayed, and translated into any language other than English that the commission is required to use in communicating with Medi-Cal beneficiaries.

(c) It is the intent of the Legislature that if a county forms a commission pursuant to this section, the county shall, with respect to its medical facilities and programs occupy no greater or lesser status than any other health care provider in negotiating with the commission for contracts to provide health care services.

(d) The enabling ordinance shall specify the membership of the county commission, the qualifications for individual members, the manner of appointment, selection, or removal of commissioners, and how long they shall serve, and any other matters as a board of supervisors deems necessary or convenient for the conduct of the county commission's activities. A commission so established shall be considered an entity separate

1 from the county or counties, shall be considered a public entity
2 for purposes of Division 3.6 (commencing with Section 810) of
3 Title 1 of the Government Code, and shall file the statement
4 required by Section 53051 of the Government Code. The
5 commission shall have in addition to the rights, powers, duties,
6 privileges, and immunities previously conferred, the power to
7 acquire, possess, and dispose of real or personal property, as may
8 be necessary for the performance of its functions, to employ
9 personnel and contract for services required to meet its
10 obligations, to sue or be sued, and to enter into agreements under
11 Chapter 5 (commencing with Section 6500) of Division 7 of Title
12 1 of the Government Code. Any obligations of a commission,
13 statutory, contractual, or otherwise, shall be the obligations solely
14 of the commission and shall not be the obligations of the county
15 or of the state.

16 (e) Upon creation, a commission may borrow from the county
17 or counties, and the county or counties may lend the commission
18 funds, or issue revenue anticipation notes to obtain those funds
19 necessary to commence operations.

20 (f) In the event a commission may no longer function for the
21 purposes for which it was established, at such time as the
22 commission's then existing obligations have been satisfied or the
23 commission's assets have been exhausted, the board or boards of
24 supervisors may by ordinance terminate the commission.

25 (g) Prior to the termination of a commission, the board or
26 boards of supervisors shall notify the State Department of Health
27 Services of its intent to terminate the commission. The
28 department shall conduct an audit of the commission's records
29 within 30 days of the notification to determine the liabilities and
30 assets of the commission. The department shall report its findings
31 to the board or boards within 10 days of completion of the audit.
32 The board or boards shall prepare a plan to liquidate or otherwise
33 dispose of the assets of the commission and to pay the liabilities
34 of the commission to the extent of the commission's assets, and
35 present the plan to the department within 30 days upon receipt of
36 these findings.

37 (h) Upon termination of a commission by the board or boards,
38 the county or counties shall manage any remaining assets of the
39 commission until superseded by a department approved plan.
40 Any liabilities of the commission shall not become obligations of

1 the county or counties upon either the termination of the
2 commission or the liquidation or disposition of the commission's
3 remaining assets.

4 (i) Any assets of a commission shall be disposed of pursuant
5 to provisions contained in the contract entered into between the
6 state and the commission pursuant to this article.

O